GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1480
ANSWERED ON:16.07.2004
SAARC - FREE TRADE AGREEMENT
Patel Shri Dinsha J.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that SAARC countries have recently signed an agreement to allow free trade among the member countries with a view to eliminate trade barriers and to bring down the tariffs;

(b) if so, the details thereof;

(c) whether any time frame has been fixed to operationalise the free trade; and

(d) the extent to which India would protect its interest on sensitive items?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN)

(a) Yes Sir. The SAARC member countries have signed the Agreement on South Asian Free Trade Area during the 12th SAARC Summit held in Islamabad, Pakistan on 6th January, 2004.

(b) & (c) The Agreement provides for free trade in goods among SAARC member countries as per the specified Trade Liberalisation Programme. As per the provisions of the Agreement, the Agreement shall enter into force on 1st January, 2006 upon completion of formalities, including ratification by all Contracting States and issuance of a notification thereof by the SAARC Secretariat.

(c) As per the Agreement, each country will maintain its Sensitive List consisting of items on which no tariff concessions will be extended to protect the interest of the domestic stakeholders.